

Service Date: December 1, 1989

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION)	
OF THE MONTANA POWER COMPANY FOR)	UTILITY DIVISION
AUTHORITY TO INCUR UP TO)	
\$150,000,000 PRINCIPAL AMOUNT OF)	DOCKET NO. 89.11.42
LONG TERM DEBT, IN THE FORM OF)	
MEDIUM TERM NOTES)	DEFAULT ORDER NO. 5435
_____)	

On November 7, 1989, The Montana Power Company (Applicant), a corporation organized and existing under the laws of the State of Montana, filed with the Montana Public Service Commission its Application pursuant to Sections 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA) seeking an order authorizing it to incur not more than \$150,000,000 principal amount of long term debt through the issuance and sale of Medium Term Notes (MTN's).

The Application is supported by exhibits and data in accordance with Commission practice and rules and regulations governing such guarantees by public utilities operating within the State of Montana.

The Application states that Applicant is a public utility as defined in §69-3-101 MCA, in that it furnishes electric and natural gas service in the State of Montana; that Applicant's principal executive office is at 40 East Broadway, Butte, Montana;

and that Applicant is duly qualified to do business in the States of Montana, Wyoming and Idaho. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to the Application.

FINDINGS

1. Applicant is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. Applicant is a public utility as defined in §69-3-101, MCA, and is engaged in furnishing electric and natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under §69-3-501, MCA.

4. The Application states that the Applicant intends to incur up to \$150,000,000 of long term debt in the form of Medium Term Notes (MTN's) over a two year period beginning on the date that the Securities and Exchange Commission (SEC) approves the Applicant's filing under Rule 415.

5. The proceeds from the sale of the Notes will be used by the Applicant to fund its construction program, to retire short-term debt or to refinance higher cost long term debt or for other corporate purposes allowed under §69-3-501 MCA.

6. The Applicant will inform the Commission after each sale of the Notes as to the principal amount of notes sold, the interest rate and any other information with respect to the Notes that the Commission may request.

7. Public notice of this Application was given by its inclusion on the Commission's agenda for November 20, 1989, and

no requests for a public hearing were received by November 27, 1989.

8. Applicant furnished complete financial data with its Application in accordance with developed practice of the Commission. The Application sets forth a certified copy of the appropriate corporate resolution pertaining hereto.

CONCLUSIONS OF LAW

The securities transactions proposed by the Application, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest the same are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility and the aggregate amount of the securities outstanding and proposed to be out-standing will not exceed the fair value of the properties and business of the Applicant.

ORDER

The Application of THE MONTANA POWER COMPANY for authority to issue and sell, in one or more public offerings, fixed rate debt in the form of MTN's in the aggregate principal amount of not more than \$150,000,000 over a two year period which will begin on the date that the SEC approves the Applicant's filing is approved.

In accordance with §69-3-507, MCA neither the issuance of securities by Applicant pursuant to the provisions of this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed under the provisions of §§69-3-501 through 69-3-507, MCA inclusive.

Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

DONE IN OPEN SESSION at Helena, Montana this 27th day of November, 1989, by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

CLYDE T. JARVIS, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

WALLACE W. (wally) MERCER,
Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)